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MAY

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Richard Rothstein of the Economic Policy Institute appears on NPR and explains the Federal Government policies that created urban American ghettos



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Richard Rothstein, Research Associate at the Economic Policy Institute makes two appearances on NPR and lays out the Federal Governments blueprint for creating ghettos.

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"TERRY GROSS, HOST:

This is FRESH AIR. I'm Terry Gross. The recent unrest in Baltimore is the legacy of a century of federal, state and local policies designed to quarantine Baltimore's black population and isolate its slums, according to my guest, Richard Rothstein. He says that the effects of these policies continue today. Rothstein has spent years studying the evolution of residential segregation nationwide. Last summer, after Michael Brown was shot and killed by a police officer in Ferguson, Mo. and some of the protests turned violent, Rothstein wrote the report, "The Making Of Ferguson: Public Policies At The Root Of Its Troubles." He's also written extensively about how poverty affects education. Rothstein is a research associate of the Economic Policy Institute and senior fellow of the Chief Justice Earl Warren Institute on Law and Social Policy at the University of California Berkeley.

Richard Rothstein, welcome to FRESH AIR.

RICHARD ROTHSTEIN: Thank you.

GROSS: I think the American public, including the people trapped in poverty in inner cities, don't understand how literally ghettos were legislated into existence. Do you consider it part of your mission now to explain that, to put some of the anger that's happening that we are seeing now in context?

ROTHSTEIN: Yes. We've forgotten all this history. It's not that we never knew it. But we've forgotten it. We have a myth today that the ghettos in metropolitan areas around the country are what the Supreme Court calls *de facto*, just the accident of the fact that people have not enough income or - to move into middle-class neighborhoods - or because real estate agents steered black and white families to different neighborhoods or because there was white flight. But the truth is that while those things existed, the major reason we have ghettos in every

metropolitan area in this country is because federal, state and local governments purposefully created racial boundaries in these cities. It was not the unintended effect of benign policies. It was an explicit, racially purposeful policy that was pursued at all levels of government. And that's the reason we have these ghettos today, and we are reaping the fruits of those policies.

GROSS: And it's amazing, really. This - there's policies on so many different levels. There's policies pertaining to loans to buy housing. There's policies preventing you from moving into certain neighborhoods. There's policies about zoning that affect the kind of climate you're living in, if you're trapped in a neighborhood because you're black and no white people are going to let you move. So it's really coming at you from every direction.

ROTHSTEIN: Yes, there were many, many policies, as I said, at the federal, state and local levels. Probably the chief ones, the most important ones, were public housing, which began in the New Deal for civilian populations. And the federal government, under the Public Works Administration of the New Deal, had an explicit segregation policy. Its policy was that public housing could be used only to house people of the same race as the neighborhood in which it was located. But in fact, most of the public housing that was built in the early years was built in integrated neighborhoods, which they razed and then built segregated public housing in those neighborhoods. So public housing created racial segregation where none existed before. That was one of the chief policies. The second policy, which was probably even more effective in segregating metropolitan areas, was the Federal Housing Administration, which financed mass production builders of subdivisions in the - starting in the '30s and then going on through the '40s and '50s, in which those mass production builders - places like Levittown, for example, and Nassau County in New York and in every metropolitan area in the country - the Federal Housing Administration gave builders like Levitt concessionary loans through banks, as they guaranteed loans at lower interest rates for banks that the developers could use to build these subdivisions, on condition that no homes in those subdivisions be sold to African-Americans. The Federal Housing Administration even provided model language attached to the deeds that builders could use to ensure that no purchaser could resell to an African-American. So while there was an initial civilian housing shortage in the '30s, '40s and early '50s, which meant that public housing was built as a segregated policy both for whites and for blacks in separate projects and separate buildings, as that period developed, the subdivisions in the suburbs were built for white families. They were lured away from the public housing. Public housing became all black in the inner city. And these two policies, of public housing and Federal Housing Administration's subsidization of suburbs, are the two major factors that created the segregation that we know today.

GROSS: I suppose one should never be surprised by the extent of racism in America. But it's still shocking that that would be legal in the North, where there wasn't legal segregation.

ROTHSTEIN: But there was. This was not legal; it was unconstitutional. But this was the policy the federal government followed. As I said, it was once well known. You know, in 1970, George Romney, who was the secretary of housing and urban development under Nixon, the father of the recent presidential candidate, announced that the federal government had created a white noose around African-American neighborhoods - Negro neighborhoods, he called them - in central cities. And it was the federal government's obligation now to untie that noose. And Romney implemented a series of policies designed to integrate the suburbs, to reverse the policies that had been pursued in the previous 20 years. He proposed to withhold federal funds for all kinds of things, sewer projects or water projects or parklands, from any suburban community that didn't desegregate, by repealing ordinances that prohibited the construction of multifamily units or that didn't take their fair share of public housing throughout the metropolitan area or that didn't accept subsidized housing. And he actually - Romney actually did withhold federal funds from three suburbs as his first round of this policy. He called it Open Communities. And there was such an uproar in the country about it that President Nixon reined him in. Romney was forced to cancel the Open Communities program. He was eventually forced out as secretary of housing and urban development. And we've had nothing since from the federal government that was anywhere near as aggressive in trying to reverse the policies that the federal government had pursued to create segregation.

GROSS: So for anyone thinking, sure, but that's all in the past - but we've made progress, so segregation in housing isn't as extreme as it was in the past or even in the recent past... What would you say to those people who think that?

ROTHSTEIN: Well, let me give you an example of how these policies persist into the present and their effects persist into the present. I mentioned Levittown before as one of these developments. And they were all over the country. They were in St. Louis. They were in Baltimore. They were in San Francisco. Well, at that time - the early 1950s, late 1940s - when Levittown and the Daly City development and others around the country were built, they sold for about, oh, seven, eight, \$9,000. In today's terms, that would be about \$125,000 or about two times or two-and-a-half times the national median income. Returning war veterans were able to afford homes like that. Black and white could have afforded them, but only whites were permitted to buy them. Well, today, homes in places like Levittown or Daly City or the suburbs in places like St. Louis and Baltimore and other cities around the country that were built in this fashion sell for 400, \$500,000, about seven times national median income. Well, in the intervening period, in the 50 years following the construction of these homes and their purchase by working-class, lower-middle-class white families, those white families gained appreciation - equity appreciation - of about 350, \$400,000. They used that money to send their children to college, to send their grandchildren to college. If they sold their homes, they gained that bonus and bequeathed it to their children and grandchildren. African-Americans, who were denied the opportunity to purchase those homes at a time when they could have afforded it just as easily as white families could, they gained none of that appreciation. The result is that today, African-American average incomes, family incomes, are about 60 percent of white family incomes. But African-American wealth is about 5 percent of white family wealth. And that difference between 60 percent of income and 5 percent of wealth is entirely attributable to federal housing policy. Now, in 1968, we passed the fair housing law, the Civil Rights Act, in which we said, OK, African-Americans, you now have the right to buy into places like Levittown or Daly City or any of the places in between; we can no longer prohibit you from doing so. But that's an empty right because those homes are no longer affordable to working-class and lower-middle-class families. The white families who bought into them when they were working-class and lower-middle-class

moved up the economic ladder as a result of their opportunity to live in places like that. And black families were prohibited from doing so. So simply giving people now the right to live anywhere they please is an empty right because the economics have changed so much in the last 50 years.

GROSS: Let's turn back the clock and go back to 1910. You've written a story of a black Yale Law School graduate who bought a home in a previously all-white neighborhood in Baltimore in 1910. And the Baltimore City government reacted by adopting a residential segregation ordinance restricting African-Americans to designated blocks. Would you explain that policy and the rationale behind it?

ROTHSTEIN: Well, the policy was again not only in Baltimore, although Baltimore was the first city to enact such an ordinance. But it was across the country. These ordinances typically prohibited blacks from buying homes on blocks that were predominantly white. They weren't necessarily all white because our urban areas were much more integrated at that time than they are today. And it prohibited whites from buying homes on blocks that were primarily black. In 1917, the Supreme Court found such ordinances unconstitutional, not because they discriminated against African-Americans but because they prevented property owners from selling homes to whomever they wanted.

GROSS: In other words, it was disadvantageous to white people. That's why.

ROTHSTEIN: That's right. They couldn't sell their property to anybody that they wanted. And cities around the country figured out ways of evading the Supreme Court decision. Some outright ignored them. In Baltimore, they reacted to the Supreme Court decision by not enforcing the ordinance anymore. But instead, the mayor of Baltimore set up a Committee on Segregation. And that Committee on Segregation was designed to use city agencies to enforce the boundaries that had been previously set up by the ordinance without using the ordinance itself. So health inspectors and building inspectors were charged with the responsibility of condemning properties that were sold to the wrong race. The Committee on Segregation also organized neighborhood associations around the city of Baltimore to circulate restrictive covenants. These were legal documents that were either attached to deeds or were covenants, contracts among neighbors that would prohibit African-Americans from moving into homes previously owned by whites. And this was all done by city government. So this is another example of policies that were not benign with unintended consequences but explicit racial policies designed to segregate Baltimore and every city in the country. St. Louis, where Ferguson took place, evaded the Supreme Court decision by establishing a zoning commission. If a neighborhood was populated with African-Americans, even if not all African-Americans, the St. Louis zoning commission permitted liquor stores and polluting industries, even houses of prostitution in those neighborhoods, in effect creating those neighborhoods as slums.

GROSS: Let me quote something that the mayor of Baltimore said. And I'm not sure if this was in 1910 or shortly after. But this pertains to the restrictive housing ordinance. He said, "blacks should be quarantined in isolated slums in order to reduce the incidence of civil disturbance, to prevent the spread of communicable disease into nearby white neighborhoods and to protect property values among the white majority." That pretty much sums it up (laughter)...

ROTHSTEIN: Yes (laughter).

GROSS: What the policies were intended to do. I mean, that's - quarantine black people in slums... I mean, that's a good summary.

ROTHSTEIN: Yes. And as I said, once that ordinance was declared unconstitutional, the mayor of Baltimore set up a committee of segregation to enforce the policy in other ways. I want to emphasize, this was public policy. This is what the lawyers call de jure segregation. This was a violation of the Fifth, Fourteenth and Thirteenth Amendments. And it's never been remedied. It established the boundaries of racial ghettos that persist to this day.

GROSS: If you're just joining us, my guest is Richard Rothstein. And he's spent several years studying the evolution of residential segregation around the country. He's a research associate of the Economic Policy Institute. Let's take a short break here, then we'll talk some more. This is FRESH AIR.

(SOUNDBITE OF MUSIC)

GROSS: This is FRESH AIR, and if you're just joining us, my guest is Richard Rothstein, who's a research associate of the Economic Policy Institute. And he's spent several years studying the evolution of residential segregation nationwide. We're talking about that, and we're talking about how that figures into communities like Ferguson and like West Baltimore.

So when you talk about the housing covenants that were signed, and in some cases people were pressured to sign them - give us an example of what - how one of those covenants might have read.

ROTHSTEIN: Well, there were two types of covenants. One was attached to the deed of a home which prohibited the owner of the home from reselling the home to a person who was not Caucasian. That was typical. Typically the covenant had an exception for domestic servants who were permitted to live in the home if they were not Caucasian. The covenants would prohibit anybody else from residing in a home; that is they couldn't rent to an African-American. So that was attached to the actual deed of the home, and those covenants are still in deeds around the country today. As I said, the federal government actually provided language, model language to builders that they could put in the first deeds of homes that they were selling in subdivisions.

The second kind of restrictive covenant was an agreement between neighbors, typically organized by a neighborhood association, in which any neighbor would have the right to sue, to have evicted, any other home - an African-American who purchased any other home in the neighborhood. So this was a joint conspiracy in effect, a legal conspiracy - unconstitutional though - to enforce the racial homogeneity of a neighborhood.

GROSS: So in other words, if I sign the covenant and if you sign a covenant and then I betrayed it by selling my home to an African-American buyer, you'd have the right to evict me.

ROTHSTEIN: That's correct...

GROSS: You and the other neighbors.

ROTHSTEIN: That's correct, and the state courts enforced these covenants everywhere in the country. There were Supreme Court decisions, state Supreme Court decisions in states all across the country upholding the

alleged legality of these covenants, and state courts routinely evicted African-Americans who purchased homes in borderline neighborhoods that were white in an attempt to preserve racial homogeneity.

Let me give you an example of just how pernicious and pervasive this kind of thing was. I was reading a year or so ago some - an African-American newspaper in Los Angeles called *The Eagle*, *The California Eagle* from the 1940s, and there was an article in that newspaper describing how the state's attorney in Culver City, which is a suburb of Los Angeles, convened all of the air raid wardens in Culver City - during World War II there were air raid wardens on both coasts. In Los Angeles, they were designed to go door-to-door and instructed to tell homeowners and residents to turn off their lights in the evenings so as not to provide guidance for Japanese bombers. The same thing was true on the East Coast.

The state's attorney instructed the air raid wardens that when they went door-to-door to tell people to turn off their lights, they should also ask residents if they had signed a restrictive covenant, and if not, provide them with a model restrictive covenant that they could sign. This was the state's attorney organizing air raid wardens to enforce racial segregation at the time when their job should have been simply to protect residents from enemy bombs.

GROSS: Now, the Supreme Court did strike down racial covenants as being unconstitutional in 1948, but did they nevertheless continue after that?

ROTHSTEIN: Oh, they did continue after that. The Supreme Court, all it did in 1948 - it didn't say that the racial covenants were unconstitutional. All it said was state courts couldn't enforce them, so you could no longer sue your neighbor to have an African-American family evicted. But what real estate agents and neighborhood associations figured out soon afterwards was that while they couldn't sue to have them evicted, instead they would put in the racial covenants a penalty so that if residents sold a home to an African-American, the African-American no longer - could no longer be evicted in state court, but the neighbors would be entitled to damages, and those damages were often greater than the price of the homes.

That went on for another almost decade until the Supreme Court found that that was unconstitutional, and real estate agents continued to put these covenants in deeds. Builders continued to put these covenants in deeds long after they were no longer enforced by the Supreme Court, and they no longer needed to have the covenants in deeds because the practices then of the real estate agents and of the developers continued of refusing to sell homes to African-Americans even without the covenants. It wasn't until the 1970s that a federal appeals court actually said the covenants themselves were - couldn't be recorded by the county recorder of deeds.

GROSS: My guest is Edward Rothstein, a research associate of the Economic Policy Institute. After a break, we'll talk about how blockbusting, redlining, subprime loans and even the G.I. Bill helped to keep housing segregated. I'm Terry Gross, and this is FRESH AIR.

(SOUNDBITE OF MUSIC)

GROSS: This is FRESH AIR. I'm Terry Gross back with Richard Rothstein, a research associate at the Economic Policy Institute. We're talking about how so many African-Americans ended up living in ghettos as a result of a century of public policy, on the local and federal levels, designed to isolate African-Americans from white people. Rothstein says, you can't really understand the anger that surfaced in West Baltimore or Ferguson, Miss., unless you understand this history. So let's pick up where we left off.

After World War II, with the GI Bill, veterans returning home had the option of buying, like, you know, relatively cheap and affordable housing, which led to a lot of working-class and middle-class homeownership that, as you pointed out earlier, led to a lot of equity and became the basis of a lot of upward mobility for working-class and upper-class people. And African-American families were denied that option. Like, what was it in the GI Bill that prevented black people from having that kind of access?

ROTHSTEIN: Well, the GI Bill followed the policies of the Federal Housing Administration. Many of the developments that I described before - the suburbanization developments - were financed, actually, by the Veterans Administration, not by the Federal Housing Administration. So they operated as one.

The Veterans Administration, for the GI Bill, used the same manuals that the FHA used for appraising homes and for valuing them and for requiring that they not be approved for loans if they were in integrated neighborhoods or if there were any African-Americans living even nearby. So the GI Bill functioned in the same way as the FHA. It also functioned that way in job training and in job bills. Initially, the job training programs and the unemployment programs after World War II were run by state governments. They were federalized and then turned back to the states. State employment agencies listed jobs from employers that requested only white workers. And if an employer didn't specify, the state employment agencies would go out and solicit a racial qualification for the jobs that were being listed.

So African-Americans were not only prevented from participating in the housing boom that took place after World War II by government policy, but they were denied equal employment rights. And that was another reason why their incomes came to be so much lower. They were excluded from most of the jobs that built the middle class in the 1940s and '50s.

We talked about suburbanization. It wasn't just a housing program. It was an employment program. All of the construction jobs that built the suburbs in this country were closed to African-Americans because the construction unions prohibited African-Americans from being members. Now, this was not a private act on the part of the construction unions. Every one of these unions was certified as the exclusive collective bargaining agent for the workers and their trades by the National Labor Relations Board. The National Labor Relations Board did not stop certifying segregated unions or racially exclusive unions - it's not even that they were segregated; there were no blacks at all - didn't stop certifying those unions until 1964.

GROSS: Let's talk - when we're talking about racial segregation, let's talk about blockbusting and what that led to. Describe what blockbusting is.

ROTHSTEIN: Well, blockbusting was a practice of real estate agents. And I want to emphasize that real estate is one of the most heavily regulated industries in the country, so these policies of real estate agents were endorsed, sometimes enforced, by state licensing boards - so another example of government action.

But blockbusting was a situation where real estate agents would come to a neighborhood where a single African-American might have purchased a home in violation of racial covenant. And nobody had enforced it, or maybe there was no racial covenant. They were generally in borderline areas, white neighborhoods that were close to black communities. And when that happened, real estate agents would try to convince whites in the neighborhood that more and more African-Americans were moving in and their property values would drop.

Now, this was based on the fact that there was an image of African-Americans as being slum dwellers, as being people who didn't maintain their homes, who brought disorder to a community when they lived there. Those slum characteristics, of course, were not a characteristic of African-American families but of government policy. In the ghettos, government policy, municipal policy, for example, denied adequate services. Garbage wasn't collected frequently. African-Americans were crowded into neighborhoods in the ghetto because so much other housing was closed to them. And as a result, housing prices in ghettos were much higher than similar housing in white areas. Rents were much higher than similar housing in white areas. Because they were not permitted to live in most areas, the prices of housing was higher. And so this created slum conditions. So when African-Americans managed to break out of those slums and buy a home in a neighboring area, whites could be persuaded that the slum conditions were going to be brought with them.

So the real estate agents would go into these neighborhoods and try to panic white families into selling their homes cheap to the real estate agents. They used techniques. They would recruit blacks from the ghetto to walk around the neighborhood pushing baby carriages. They would phone call families in the white area and ask for names that were stereotypically African-American. They would call a white family and ask if Johnny May (ph) was there, all intended to give the impression that this was rapidly turning into another black slum.

The white families who panicked would then sell their homes to the real estate agents or the speculators at prices far below what they were worth. The speculators would then turn around and resell the homes to African-Americans at far more than they were worth because of the restricted supply. And this policy was called blockbusting, and it was a policy that was condoned by state licensing boards throughout the country. The only way to prevent it would have been if state licensing boards removed the licenses of real estate agents who participated in these practices, but they never did. The National Association of Real Estate Boards had an ethical code which was followed by state licensing agencies and by real estate agent - commissions around the country that said it was unethical for real estate agents to sell homes to African-Americans in predominantly white neighborhoods. Of course, that ethical rule was violated in the case of blockbusting, but in outlying areas, it was enforced. And some real estate agents had their licenses challenged by state boards for violating this ethical rule of segregation.

GROSS: If you're just joining us, my guest is Richard Rothstein. He's a research associate at the Economic Policy Institute, and he spent years studying the evolution of residential segregation nationwide and economic disparity. So let's take a short break here, then we'll talk some more. This is FRESH AIR.

(SOUNDBITE OF MUSIC)

GROSS: This is FRESH AIR, and if you're just joining us, my guest is Richard Rothstein. He is a research associate at the Economic Policy Institute. So one of the pieces of legislation to come out of the civil rights movement was the Fair Housing Act. What impact did that have on all of these, you know, like, local and federal policies that were enforcing segregation in housing?

ROTHSTEIN: Well, it had some impact. I certainly wouldn't say it had no impact. We have some middle-class integration today in metropolitan areas around the country as a result of the Fair Housing Act. As I mentioned earlier, it gives African-Americans the right to live in any community and African-Americans who have the means to do so can purchase homes in white neighborhoods, and they do so in small numbers.

GROSS: So we've been talking about legislation at every level of government. Banks and lending institutions have played a major role in the enforced housing segregation that you've been talking about. So let's talk a little bit about redlining. Would you describe what that is?

ROTHSTEIN: Well, redlining is the policy of banks not to issue mortgage loans in African-American neighborhoods. The redlining term comes from the fact that the maps that the banks use to determine where they will not issue loans because there's an African-American population were created by the federal government. They were created during the New Deal by The Home Owner's Loan Corporation. And it's called redlining because black neighborhoods were colored red on those maps. So again, this is a residue of government policy.

The Federal Housing Administration is the main culprit here. The reason that banks will not issue loans - or one of the main reasons that banks will not issue loans or did not issue loans in African-American neighborhoods was because the FHA would not insure them. And the FHA wouldn't insure them because the FHA's appraisal manuals told appraisers that loans were not worthy of - they were not secure if African-Americans were purchasing the homes.

So again this all - it's redlining and it's a bank policy, but it all stems from federal policy. Banks are very, very heavily regulated. There're inspectors who come to every bank that's making loans from the Federal Reserve Board from the - what was called once the Office of Thrift Supervision, from the Comptroller of the Currency. All of these regulators were complicit in this redlining policy. The Civil Rights Commission - the U.S. Civil Rights Commission held hearings in the 1960s. And William McChesney Martin, who was then the chairman of the Federal Reserve Board, told the Civil Rights Commission that he approved of denying loans to African-Americans because his main concern was preserving property values and property values would fall if African-Americans bought homes. In 1961 or maybe '62 - I don't recall now - President Kennedy issued an executive order prohibiting federal agencies in the housing field from engaging in racial discrimination. But Federal Housing Administration offices around the country ignored the executive order. One Federal Housing Administration official testified before the Civil Rights Commission that he was not going to follow the executive order because he would lose market share. The Federal Housing Administration would lose market share if it couldn't enforce racial segregation.

GROSS: Before the housing bubble burst and the stock market collapsed, African-American home buyers were

being targeted for subprime loans and so these are loans that, you know, usually had, like, a low teaser interest rate, but then the interest rate would rise and you'd be stuck with a much larger loan than you realized you were signing up for. And a lot of people couldn't pay those loans; they lost their homes. So can you talk a little bit about how African-Americans were targeted for these subprime loans?

ROTHSTEIN: Sure, there were a number of lawsuits filed against banks for their behavior during the housing bubble. One of them, it so happens, was from Baltimore County - Baltimore itself. Wells Fargo Bank was sued by some civil rights groups. And testimony in that suit in Baltimore was that the bank had set up a special sales unit of African-American salespeople in the bank whose job it was to go out to black churches and market these kinds of loans, refinancing loans, so that blacks would give up their existing mortgages for an initial low teaser rate, not realizing that the interest rate would later explode and that there would be enormous prepayment penalties if they tried to get out of it. But this was specifically targeted at African-American families.

GROSS: So how do you think the subprime loans targeted at African-Americans added to the chronic housing segregation in our country?

ROTHSTEIN: Well, many of the families who lost their homes as a result of foreclosures when they could not refinance these mortgages were pushed back into the ghetto. They lost - they were homeowners; they were pushed back into living in apartments and tenements in much denser neighborhoods. So it's reinforced the segregation of many urban areas. I mentioned earlier that black wealth is now about 5 percent of white wealth even though black income is 60 percent of white income. Before the subprime bubble burst, African-American wealth had risen to about 10 percent. But the subprime crisis pushed African-Americans way back so that many of the gains they had made in the previous years were lost.

GROSS: So I'm sure you watched the live coverage from Baltimore and Ferguson. And I wonder what goes through your mind emotionally and intellectually as you watch the peaceful protests and as you watch some of those protesters turn violent.

ROTHSTEIN: Well, you know, this is not new. These kinds of violent episodes have been persistent throughout our history since 1920 or so. There were a hundred such uprisings in 1967, all of which were provoked by similar police action. But when you get ghettos in which families are concentrated together with little opportunity - they're far away from jobs; there are few jobs available; unemployment rates are high; young people have little hope - you're going to get the kind of misbehavior on the part of young people that we see in Baltimore and again in Ferguson. And that misbehavior provokes police hostility and aggression, and then police aggression provokes more misbehavior. And it becomes a vicious cycle.

The way to prevent those things - in 1967 I mentioned there were a hundred of these of the - President Johnson appointed the Commission, the Kerner Commission to look into them. And the Kerner Commission reviewed all of the policies that I've just described and said, we're becoming a society of two nations, two societies, separate and unequal. We didn't follow any of the recommendations of the current commission in 1968 when the commission was - report was published. Every time we have some of these incidents, we recognize that the underlying problem is the lack of opportunity in ghetto communities. We say once we deal with the violence, then we'll turn to the bigger problem. We deal with the violence and never turn to the bigger problem, and so I think these kinds of conditions are going to continue, and we're going to see more Baltimores and more Fergusons as we have for the last 100 years.

GROSS: So several times during the course of our interview, you've have used the word ghetto. Ghetto, I think, is like an offensive word when used to pertain to African-American neighborhoods, and I think lot of the people who live in those neighborhoods take offense by the use of the word ghetto. Are you using it intentionally because you see those neighborhoods as been intentionally ghettoized by policy?

ROTHSTEIN: Well, one of the ways in which we forget our history is by sanitizing our language and pretending that these problems don't exist. We have always recognized that these were ghettos. A ghetto is, as I define it, a neighborhood which is homogenous and from which there are serious barriers to exit. That's the technical definition of a ghetto.

Robert Weaver, the first African-American member of a Cabinet, appointed by President Johnson as his secretary of Housing and Urban Development, described many of the policies that I've described today in a book he published in 1948 called "The Negro Ghetto." The Kerner Commission referred to the ghetto. This is a term that we now no longer use because we're embarrassed to talk about it, and we need to confront our history and stop sanitizing our language and talk openly about what we've done as a nation and what we need to do to undo it. And we can't talk openly if we're going to use euphemisms instead of being explicit about what the reality is.

GROSS: Richard Rothstein, thank you so much for talking with us.

ROTHSTEIN: Thank you.

GROSS: Richard Rothstein is a research associate of the Economic Policy Institute and senior fellow of the Chief Justice Earl Warren Institute on Law and Social Policy at the University of California, Berkeley. Coming up, Ken Tucker reviews the debut album by Chris Stapleton, who has written hits for country artists including George Strait and Tim McGraw. This is FRESH AIR."

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"DAVID GREENE, HOST:

Scenes of West Baltimore's troubled neighborhoods do raise natural questions. One is why they seem heavily segregated generations after legal segregation ended.

STEVE INSKEEP, HOST:

Richard Rothstein studied that question. He's with the Economic Policy Institute, and he says Baltimore neighborhoods reflect a national legacy of segregation. Generations ago, during President Franklin Roosevelt's New Deal, the federal government started subsidizing a lot of housing. But they did it a certain way.

RICHARD ROTHSTEIN: The New Deal was a coalition of Northern Democrats and Southern Democrats. The Southern Democrats were segregationist, and in many cases, the Northern Democrats compromised with them in order to get housing programs enacted.

INSKEEP: From the 1930s onward, white people moved into new houses. Many were in new suburbs like Levittown, N.Y. Black people got public housing apartments in the same center cities where they already lived. Decades later, there's an enormous gap between the grandchildren of one group and the grandchildren of the other.

ROTHSTEIN: In 1947, when Levittown was first opened, homes were sold to white, working-class families for about \$8,000 apiece. That is about \$125,000 today. African-Americans were prohibited from buying into those developments, even though they had the economic means to do so.

Well, a half-century later, those homes are now selling for \$500,000. They are no longer accessible for working-class families. We passed a law in 1968 saying that African-Americans now have the right to buy into Levittown. But giving them a right to buy into a place that's no longer affordable when they could have bought into it when it was affordable had they been permitted to do so is not a very meaningful right. In that half-century, the white families, working-class families who moved into Levittown gained equity appreciation of perhaps 350-400,000 dollars. They used that wealth to send their children to college. They bequeathed it to their children and grandchildren.

African-Americans living in crowded central city areas were able to accumulate none of that wealth. As a result, today, nationwide, African-American wealth is 5 percent of white family wealth. That enormous difference is entirely attributable to federal housing policy, to suburbanize the white population and keep African-Americans in central cities.

INSKEEP: Now, help me connect this history to the news because we've been focused on Baltimore because of a police force that is accused of - well, a number of police officers are accused of killing a man, and we have reports of a pattern of this kind of abuse. What is the connection between historic housing segregation and historic wealth gaps and this kind of police behavior in a community?

ROTHSTEIN: Well, the police behavior is something that should be remedied. It's a terrible criminal operation on the part of the police departments. But it doesn't start with police departments. When you have a low-income population concentrated in the area, little hope, unemployment rates in places like inner city of Baltimore are two and three times the rate for whites, well, you get behavior in those kind of communities that reinforces police hostility. It becomes a cycle of misbehavior and police aggression, and it's attributable to the concentration of disadvantaged families in very crowded inner-city communities.

INSKEEP: In recent days, have you found yourself yelling at the TV that everybody is missing the point?

ROTHSTEIN: I try - I hope I don't sound like I'm yelling.

INSKEEP: Muttering at the TV, let us say.

ROTHSTEIN: Well, I do think that Americans have forgotten this history of a purposeful, racial segregation. You know, in 1970, during Richard Nixon's first term, he had a secretary of housing and urban development, George Romney, the father of the recent presidential candidate. Romney said that the federal government has created a white noose around African-American communities in urban areas, and it was the federal government's obligation to untie that noose. And he implemented a series of programs designed to force metropolitan areas to desegregate. He denied federal funds for sewers and for water projects to communities that didn't take action to desegregate, and he actually denied federal funds to Baltimore County because it refused to desegregate its area.

Eventually, the Nixon administration reined him in. The program he was following was terminated. He was forced out of the secretary of housing and urban development, and we haven't had anything that aggressive since. But we once knew, the American public knew, even moderate Republicans like George Romney knew that the federal government had established the segregation, and they understood it was a federal government obligation to undo it. But since that time, we've forgotten this history, and we think somehow these ghettos arose by accident and there's nothing we can do about them to reverse the segregation.

INSKEEP: Richard Rothstein, thanks very much.

ROTHSTEIN: Thank you.

INSKEEP: He's with the Economic Policy Institute."

Posted 19th May 2015 by spe-lunk-er2000

Labels: Economic Policy Institute, EPI, Ghetto, Housing Inequality, Richard Rothstein



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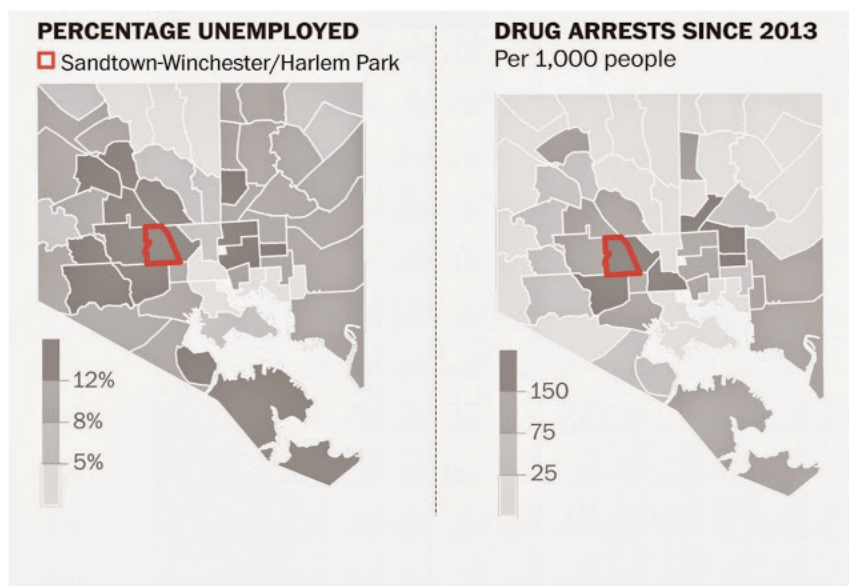


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MAY

5

"Why couldn't \$130 million transform one of Baltimore's poorest places?" - The Washington Post



(Image courtesy of The Washington Post)

"As Stephen Harlee, a 57-year-old recovering addict and Sandtown native, put it last week: "I watched my neighborhood die."

...

In the absence of jobs, the drug trade flourished.

"A lot of people around here got caught up," said Harlee, noting that his addiction to crack cost him his family and a series of good jobs — as a corrections officer, a firearms instructor and a long-haul truck driver. Harlee went to prison for five years for slamming his truck into a car and killing the driver after an all-night crack binge.

"Those drugs have everything to do with the condition of the neighborhood," said Harlee, who said he has been clean for three years and has a maintenance job at an East Baltimore homeless shelter. "Everybody suffered. What kind of role models were we? How could we tell young kids not to sell drugs when we were buying them?"

"Why couldn't \$130 million transform one of Baltimore's poorest places?", Michael S. Rosenwald and Michael A. Fletcher, The Washington Post, May 2, 2015

Posted 5th May 2015 by spe-lunk-er2000

Labels: Baltimore, Drugs, Poverty



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MAY

5

"Baltimore's failure is rooted in it's segregationist past: The city's black community has never recovered"



Copyright Ruth Fremson/The New York Times 2015

"In the Sandtown-Winchester neighborhood where Freddie Gray lived before he died in police custody on April 12, one-half the residents are unemployed and one-third of the homes are vacant. Sixty percent of residents have less than a high school diploma, and the violent crime rate is among the highest in Baltimore. You can paint a similar picture for the neighborhoods and housing projects on the east side of the city as well. If you are poor and black in Charm City, your life—or at least your opportunity to have a better life—looks bleak.

But then, this is by design. In the early 20th century—as in many American cities—Baltimore civic leaders endorsed broad plans to “protect white neighborhoods” from black newcomers. The city was flush with waves of immigration—from abroad as well as the South—and more affluent blacks were leaving the older, poorer neighborhoods to move to predominantly white areas removed from the poverty and joblessness of the crowded slums. In short order, politicians and progressive reformers—motivated by benevolence, politics, and an en vogue scientific racism—endorsed segregation plans and racial covenants meant to cordon blacks—as well as Italian and Eastern European immigrants—on to small parts of land in the inner city."

"The Deep, Troubling Roots of Baltimore's Decline", Jamelle Bouie, Slate, April 29, 2015

Posted 5th May 2015 by spe-lunk-er2000

Labels: Baltimore, Sandtown-Winchester, Segregation



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OCT

Baltimore didn't evolve in a vacuum



(Image courtesy of Missouri History Museum Library and Research Center)

Via In These Times:

Joshua Holland:

"Most people believe that Ferguson became so racially polarized because of "white flight"—white people fled the area because of personal prejudice against African Americans. In your report, you argue that this misses a crucial point. What are we overlooking?"

Richard Rothstein:

"The segregation that characterizes Ferguson, and that characterizes St. Louis, was the creation of purposeful public policy. We have a segregated nation by design.

The St. Louis metropolitan area was no different from most metropolitan areas of the country. The ghetto in the central city of St. Louis was redeveloped for universities, and for a number of other uses, and the African American population in the central city was shifted to inner ring suburbs like Ferguson.

It was done primarily with two policies: First, public housing was segregated, purposely, by the federal government, so that what were previously somewhat integrated neighborhoods in urban areas were separated into separate black and white public housing projects.

And then, in the 1950s, as suburbs came to be developed, the federal government subsidized white residents of St. Louis to move to the suburbs, but effectively prohibited black residents from doing so. The federal government subsidized the construction of many, many subdivisions by requiring that bank loans for the builders be made on the condition that no homes be sold to blacks.

Because black housing was so restrictive, there were so few places where African Americans could live in St. Louis. So what was left of St. Louis' African-American community became overcrowded. City services were not readily available. The city was zoned so that the industrial or commercial areas were placed in black neighborhoods but not in white neighborhoods. So the industrial areas, where African Americans lived, became slums.

And then white residents in places like Ferguson came to associate slum conditions with African Americans, not realizing that this was not a characteristic of the people themselves, but rather it was a creation of public policy.

This is a somewhat oversimplified description of a complex array of policies. But every policy that I described in this report can be found in every other metropolitan area throughout the country. These policies applied in the New York City area, and they applied in the liberal San Francisco area. It's a story that characterizes the entire country, but you cannot understand what's going on with Ferguson today without knowing this history."

Richard Rothstein is a research associate of the Economic Policy Institute and senior fellow of the Chief Justice Earl Warren Institute on Law and Social Policy at the University of California (Berkeley) School of Law. He is the author of *Grading Education: Getting Accountability Right* (Teachers College Press and EPI, 2008) and *Class and Schools: Using Social, Economic and Educational Reform to Close the Black-White Achievement Gap* (Teachers College Press 2004). He is also the author of *The Way We Were? Myths and Realities of America's Student Achievement* (1998). Other recent books include *The Charter School Dust-Up: Examining the Evidence on Enrollment and Achievement* (co-authored in 2005); and *All Else Equal: Are Public and Private Schools Different?* (co-authored in 2003).

Rothstein recently authored the report titled, "**The Making of Ferguson: Public Policies at the Root of its Troubles**" for the **Economic Policy Institute**.

Posted 30th October 2014 by spe-lunk-er2000

Labels: Baltimore, Ferguson, Housing, Segregation



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OCT
19

The collapse of steel manufacturing in Baltimore



(Bethlehem Steel, Sparrows Point Facility courtesy of Wikipedia)

"The latter part of the 20th Century saw a nationwide decline in the manufacturing sector, and Bethlehem Steel was no exception to this trend. In 1971, when Sparrows Point was the largest steel mill in the country, a surge in steel imports led to massive layoffs among domestic producers. Three thousand workers at Sparrow Point lost their jobs that year, followed by another 7,000 in 1975.

By the late 1980s, the workforce had dwindled to 8,000, accompanied by a decline in wages and benefits as the union conceded on many pay and benefits issues. Baltimore workers could no longer look to steel as a source of middle-class wages and job security.

The story of Bethlehem's steel mill at Sparrows Point is a microcosm of economic changes that profoundly affected Baltimore and other "rust belt" cities across the US during this period. The manufacturing industries, having long been the economic base for employment and output for nearly a century, dwindled and disappeared.

Baltimore lost over 100,000 manufacturing jobs between 1950 and 1995, 75% of its industrial employment — not to mention most of the jobs with union representation. Currently, only 6% of all jobs in the City are in manufacturing. The collapse of industry led to a number of changes in the

demographic makeup of the City and the surrounding region, contributing to a crisis in urban poverty that lingers today.”

“A Brief Economic History of Modern Baltimore”, Chicken Bones: A Journal, originally from “Putting Baltimore’s People First”, 2004

“The closing of the steel mill at Sparrows Point overwhelmed Bob Jennings. Too young to retire at 59, he faced a gloomy job market for local manufacturing workers and a bureaucracy that couldn’t get him timely training help. He felt like a failure.

No, no, his wife said, “the system is the failure,” but she couldn’t convince him. On a cold Saturday morning, he wrote her a short note of apology, walked to their shed and shot himself.

Troy Pritt, 44, also worked at the Baltimore County mill. When he was laid off, he saw it as a rare opportunity to hit the restart button on his life and earn a bachelor’s degree with federal retraining aid. He loves his business courses and is hopeful about the future.

The two men bookend a local economic disaster. Few from the mill’s workforce of about 2,100 are enrolled in four-year institutions. Fewer still have ended their lives — Jennings’ death is the only known suicide, and his family and former colleagues are working to keep it that way.

But elements of both men’s experiences, the despair and the hope, ripple through the tight-knit community of steelworkers. Many are still trying to find their way in the new life abruptly forced on them last June.

“It’s too soon to really see the full impacts,” says Michael Lewis, financial administrator of the United Steelworkers local at Sparrows Point, who is unwinding the union and trying to help struggling workers. “The impact so far has been devastating, but it’s not over yet. It’s just not over yet.””

“Sparrows Point: A year after collapse, unsettled lives”, Jamie Smith Hopkins, Baltimore Sun

Posted 19th October 2014 by spe-lunk-er2000

Labels: Baltimore, Bethlehem Steel, Economics, Industry, Jobs, Steel



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Baltimore Neighborhood Indicator Alliance "Vital Signs 12" Report



The **Baltimore Neighborhood Indicator Alliance** has released a annual report titled, "**Vital Signs 12**" which **tracks approximately 150 indicators**, as a barometer of the overall health of Baltimore City neighborhoods, as well as the cities health overall. The organizations work is supported by a grant from the **Annie E. Casey Foundation** and **donations**.

Although we are examining the history and journey of Baltimore, the report is a great indicator of what the current conditions of the city are today. In order to get a true understanding of the scope of change, you need to understand both the past and the present.

Read the **full report here**.

Or download the individual report chapters:

Census Demographics
Housing and Community Development
Children and Family Health & Well Being
Crime and Safety
Workforce and Economic Development
Art & Culture
Education and Youth
Sustainability

Indicator Definitions and Rankings

Community Profiles

Data Downloads

Map Gallery

Posted 19th October 2014 by spe-lunk-er2000

Labels: Baltimore, Baltimore Neighborhood Indicator Allian, Data, Statistics



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18

SCOTUS Blog: "The Neglected Case of *Buchanan v. Warley*"



(Image courtesy of Library of Congress)

"*Buchanan v. Warley* is one of the most significant civil rights cases decided before the modern civil rights era. Starting in 1910, many cities in the South, border states, and lower Midwest, responded

to a wave of African-American in-migration from rural areas by passing laws mandating residential segregation in housing. More cities were ready to follow suit if the laws survived constitutional challenges. Several southern state supreme courts upheld the laws against constitutional challenges. In 1917, however, the Buchanan Court unanimously invalidated a Louisville residential segregation law as a deprivation of liberty and property without due process of law."

Read more at SCOTUS Blog: "The Neglected Case of Buchanan v. Warley"

Posted 18th October 2014 by spe-lunk-er2000

Labels: Buchanan v. Warley, Racism, Supreme Court



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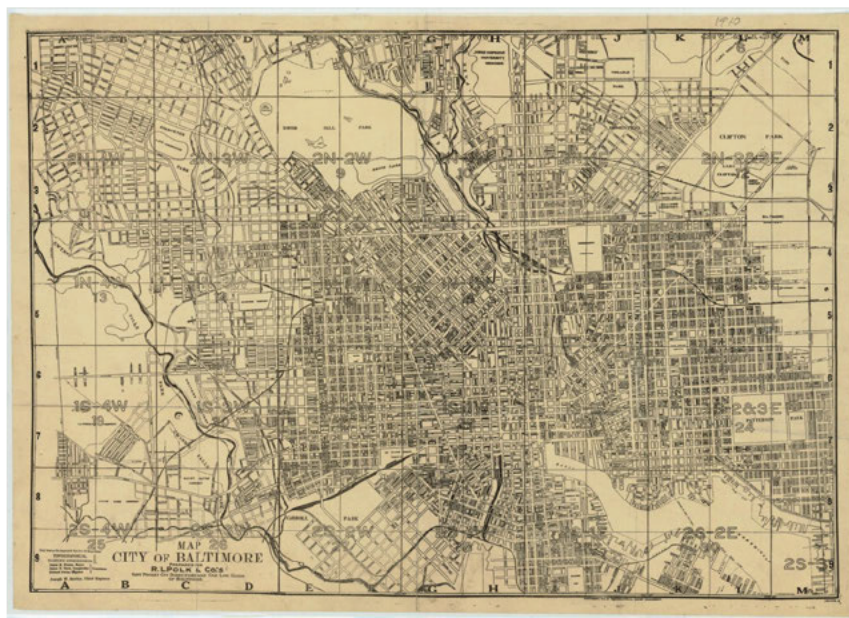
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Maryland Law Review, Volume 42, Issue 2, "Apartheid Baltimore Style: the Residential Segregation Ordinances of 1910-1913"



(Map of Baltimore in 1910)

Maryland Law Review, Volume 42, Issue 2, "Apartheid Baltimore Style: the Residential Segregation Ordinances of 1910-1913"

Posted 18th October 2014 by spe-lunk-er2000

Labels: Apartheid, Baltimore, Ordinances, Segregation



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How Bigotry Shaped Baltimore

Posted 18th October 2014 by spe-lunk-er2000

Labels: Baltimore, Blockbusting, Racism, Redlining



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Brad Griffin knows things...

Brad Griffin knows things...

“The system is rigged in favor of blacks. The law works against the White homeowner. That’s why blacks take over neighborhood after neighborhood, which they proceed to blight and destroy, and Whites are constantly fleeing and moving elsewhere. It is because Whites have no legal means to defend their property value. They are not able to “discriminate” against the Black Undertow – if they did so, they would be hauled into court and prosecuted – so they either sell out at a loss, or cut their losses and abandon their property altogether. Lots of houses in blighted neighborhoods are just abandoned to be reclaimed by nature. Housing integration is achieved all the time. In Ferguson, for example, it was achieved in the late 1990s. It doesn’t last though because the Black Undertow introduces social and economic conditions into cities like Ferguson that Whites find intolerable:

corruption and waste in government, decline in public services, violent crime, and above all else, their children take over the public schools, which become "failing schools." In order to send their children to the "good schools" (i.e., the White schools), White middle class and working class parents have to cough up private school tuition. What's it like to be a White homeowner in Ferguson? It is certainly not a position anyone would want to be in. It is to live in a world of declining property value, shuttered businesses, rising violent crime, decaying infrastructure, blight spreading across your community, an excellent school district being transformed into a failing school district, and so on, with no legal recourse. Understandably, Whites don't want to live in such conditions (there is no social or economic incentive to do so, staying means destroying your own net worth), so they move across the Missouri River to St. Charles County. There's nothing wrong with the "environment" in Ferguson which used to be a great place to live. The problem is the people who used to live in the Pruitt Igoe housing projects who have brought their culture with them to Ferguson. Mysteriously, that dysfunctional culture follows them like their shadow everywhere they go, just as the culture of the Whites who used to live in North St. Louis County followed them to the prosperous suburbs. Sometimes, Whites move back to the cities which were wrecked by the Black Undertow, and gentrify and transform those areas. See, for instance, the hipster enclave in Detroit with its Whole Foods grocery store, in an area which is otherwise a "food desert." Finally, I don't come from a family like the Black Undertow. I know the name of my father, my grandfather, my great grandfather, and so on. I know when my family settled in Alabama. I know where they came from before that."

Brad Griffin

"So what is wrong with the environment in Curtis Bay, Maryland?"

Spelunker

"Not sure. I know what happened to Baltimore though."

Brad Griffin

"Like many city dwellers, Curtis Bay residents are fighting to keep crime and drugs off their streets, while maintaining their older homes and roads. They also hope to cope with urban flight by attracting new homes and more jobs.

"This is a struggling community that's basically fighting back," said 42-year-old Curtis Bay native Duane E. Tressler, who is the fourth generation of his family to live in his Pennington Avenue rowhouse.

"This area is teetering on the edge. We can build all the houses we want but unless we deal with the crime, drug and social problems -- especially prostitution -- we're going to lose the neighborhood."

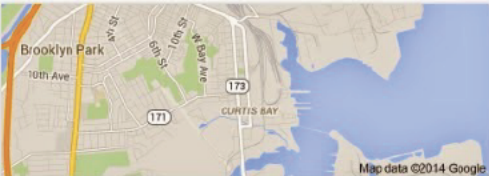
And...

"However, the community has experienced a general decline in the past 10 years, residents say. One Curtis Bay native, 46-year-old Rita B. Lamke, the secretary at Curtis Bay Elementary School, observed, "It's just not the way it used to be. As a young person, Curtis Bay was beautiful. You could sit on your steps and talk to your neighbors. Now we're afraid to walk to the store. You have to chain things in your own back yard and lock all your doors. We need to take our neighborhood back." James H. Persing Jr., 33, says Curtis Bay was a "nice neighborhood" when he moved there six years ago. Now, Mr. Persing says he hears gunfire behind his [See Curtis Bay, 2K] house. Although he helped start a citizens patrol, he says he's fearful about raising his 5-year-old daughter in the area and plans to move."

"Curtis Bay's residents rise to its defense again Old working-class area of Baltimore battles to save its values", Laura Barnhardt, Baltimore Sun, January 7, 1996

"State Sen. George Della, who has represented Curtis Bay for two decades in Annapolis, says that back in its post-World War II heyday the area was a "very active, very vibrant community--even up into the '70s. There were a ton of big employers there, and that's why the bars prospered, because of all the workers." In the decades since, Curtis Bay has been tossed about by the same problems that beset the city at large--violence, poor school performance, high poverty, high teen-birth rates, and child abuse and neglect, to name a few. Della notes that in recent years "a lot of effort has gone into chasing the hookers away and chasing the druggies away," as well as "landlords who don't maintain the homes."

"Archie Bunker's Taverns: Down in Curtis Bay, The Bar Says it All", Van Smith, Baltimore City Paper, February 12, 2003



Map data ©2014 Google

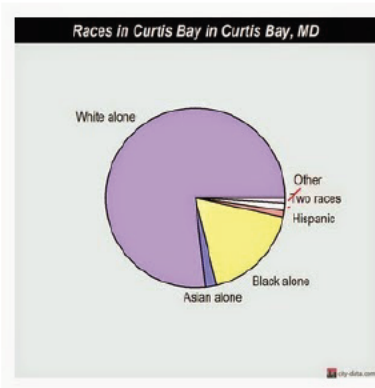
Curtis Bay, Baltimore

Neighborhood in Baltimore, Maryland

Curtis Bay is a neighborhood in Baltimore, Maryland, United States. The neighborhood is located in a highly industrialized waterfront area in the southern part of the city, and receives its name from the body of water in which it sits. [Wikipedia](#)

Curtis Bay, Maryland

Detailed History of Curtis Bay written by Duane E. Tressler

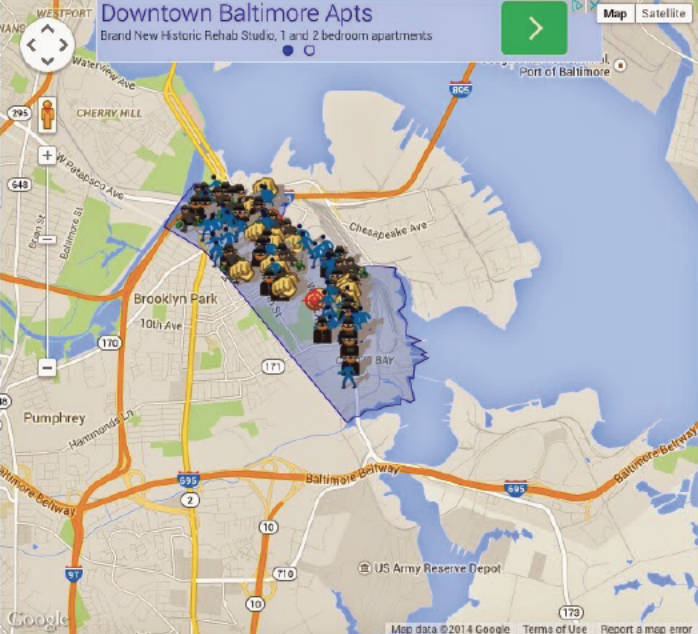


Curtis Bay City Data

Demographics of Curtis Bay

Downtown Baltimore Apts

Brand New Historic Rehab Studio, 1 and 2 bedroom apartments



Map data ©2014 Google Terms of Use Report a map error

- Arrest
- Arson
- Assault
- Burglary
- Robbery
- Shooting
- Theft
- Vandalism
- Other

Crime in Curtis Bay

More on Crime in Curtis Bay

Brooklyn-Curtis Bay, Baltimore employment information

Index	Brooklyn-Curtis Bay	Baltimore	Maryland
Income per capita	\$15,062	\$24,155	\$36,056
Median household income	\$36,352	\$40,803	\$72,999
Median household income owner occupied	\$0	\$59,923	\$91,744
Median household income renter occupied	\$0	\$26,861	\$43,332
Median earnings male	\$30,534	\$31,945	\$45,219
Median earnings female	\$24,200	\$28,593	\$34,277
Unemployment rate	13.5%	8.6%	5.4%
Poverty level	n/a	23.4%	9.4%

The data is based upon 2012 estimates.

Employment in Curtis Bay

UH OH. THAT'S NOT FITTING BRAD'S TEMPLATE. OOPS!

Posted 18th October 2014 by spe-lunk-er2000

Labels: Baltimore, Brad Griffin, Racism

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WTF Happened to Baltimore?

We intend to find out.

Posted 18th October 2014 by spe-lunk-er2000

Labels: Baltimore, Racism

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